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CONNECTICUT AND THE NEW HAVEN ROAD

ADDRESS
TO
THE CHAMBER OF COMMERCE
OF
NEW HAVEN

BY
HOWARD ELLIOTT
Chief Executive Officer
of
THE NEW YORK, NEW HAVEN AND HARTFORD
and
NEW ENGLAND TRANSPORTATION LINES

YALE UNIVERSITY DINING HALL
NEW HAVEN, CONNECTICUT
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Mr. President, and Gentlemen of the New Haven Chamber of Commerce:

To be your guest and to be allowed to speak to a New Haven and Connecticut audience is a great pleasure and privilege to any man interested in the development of New England and is particularly so to me. For I have many associations with this part of the country, although so much of my working life since July 5th, 1880, has been spent west of the Mississippi River. When I was a very small child my family lived on Prospect Street in the house now occupied by Mrs. Davies. Later I visited many times my aunt, Mrs. Samuel E. Foote, who had a fine place on Whitney Avenue, now much reduced in size because of the demand for homes along that beautiful street.

Connecticut Ancestry My father was born in Guilford and rests there in the little burying ground from which you can see the blue waters of Long Island Sound, and in the same plot are my two brothers and many grandparents. Many of my ancestors went to the great college over which our good friend Dr. Hadley presides so ably, and so far the only difference between us in our pleasant and strenuous association as fellow directors in the New Haven road arises from the fact that fate took me to Harvard, the graduates of which complimented me a few years ago by making me an Overseer, or what for Yale is a Trustee.

My only grudge against Yale is that when I was a Harvard Freshman I played on the nine. We came to New Haven and the Yale Freshmen nine beat us 8 to 1! But when they came to Cambridge we beat them 11 to 4. Our money gave out and we never played the third game. So a great question was never settled!

My first Connecticut ancestor, Joseph Eliot, who came from Northampton, Mass., to Guilford in 1664, was prominent in educational matters in those early days, and there is now a Scholarship in Yale known as "The Joseph Eliot Memorial Scholarship," founded in his honor by contributions from his many descendants who were interested in the welfare of Yale; and my cousin, the widow of the well beloved Prof. William G. Sumner, lives here. Joseph's father was John Eliot of Roxbury, Mass., known as "The Apostle to the Indians" and his father was Bennett Elliott, of Widdford, Hertford County, England.

Somewhere in the 18th century my branch of the family spelled their name with two "Ls" and two "Ts," and I have stuck to it, believing that what a man was and did was more important than the spelling of his name.

My people are connected by marriage with many of those good old sturdy Connecticut families which have had their share of the work in shaping the history and development of this Commonwealth. Mary Wyllys, a grandmother, was the daughter of Samuel Wyllys, for thirty-four years a Magistrate of Hartford, upon whose farm, so Trumbull, the Connecticut historian says, stood that oak tree in which your charter was said to have been hidden when it was taken from the Council Chamber at the time it was called for by Sir Edmund Andros.

Mary Leete, another grandmother, and granddaughter of William Leete, Governor of Connecticut in 1676; the Hills, the Wards, the Betts, the Footes, all good Connecticut names, appear in the list of grandparents, uncles, aunts and cousins, and so, at the risk of wearying you with some personal history, I am pointing out that I have much to interest me and draw me to Connecticut and to New Haven in addition to my connection with the great railroad that makes its home and headquarters here.

The State and the Railroad Here 6,770 employes make their home, and here I have one of the three offices that I maintain, although the Directors thought it best for me to live in Boston. Here live five prominent Directors of the road including James H. Hustis, the President of the Road, James S. Hemingway, A. Heaton Robertson, Frederick F. Brewster, and Dr. Arthur T. Hadley, named in the order of their election to the Board. In Connecticut live a majority of the Board of Directors, having power to approve and disapprove policy and management:—a heavy responsibility at all times and especially so when there are so many complicated questions to be decided.

To anyone connected with the New Haven road, bondholder, stockholder, director, officer or employe, the growth and welfare of the State of Connecticut is of vital importance, and the interests of state and railroad are so interwoven that you cannot permit hurt to one without harming the other—a simple fact, that is frequently lost sight of by those who unthinkingly attack the transportation interests of their community. The New Haven owns or operates 942 miles of the 1,000 miles of steam road in the state, and is interested in separately operated trolley lines of 605 miles out of a total of 911 miles in the state. There are 14,609 employes of the steam roads, 4,335 in the trolley lines and 650 in the steamer lines living in Connecticut, or nearly 20,000 persons, representing, with their families and dependents, at least 90,000 of your population.

The Railroad as an Industry Of the money collected in Connecticut for transportation furnished, more than \$16,000,000 in wages is returned annually, and nearly \$1,700,000 is returned each year in taxes. What rejoicing there would be if through the efforts of a commercial club or business men's league a new industry could be brought into a community that would employ 20,000 people, pay \$16,000,000 in wages and \$1,700,000 in taxes. Bonuses would be offered, town lots would rise and there would be increased activity in many directions, both in city and country.

This is true about the railroad. In its building stage people hail it as a benefactor, communities receive it with open arms; but after it is built people forget the conditions and difficulties of operation and are too ready to complain and criticise.

Here in Connecticut and in New Haven I believe the sentiment of the people, on the whole, is in favor of fair treatment to the transportation business. In this state and city you can give effect to that feeling by using your influence to silence unfair criticism and to set an example to all New England, of helping the road in a trying time in its history. In the abstract everyone wants the New Haven road to be the best in the country, and it can be with only a little help from each individual.

Interdependence of Interests Mr. Clark, the Chairman of the Interstate Commerce Commission, said recently:

"Even if it be true that the present financial condition of transportation agencies is due to reckless, improvident, or even dishonest financing in the past, it would be a mistake to undertake to correct it by a policy of reprisal which will impair the usefulness or efficiency of the carriers upon which the welfare—the very life—of the commerce of the country depends. That commerce grows continually, and we have seen, each year, periods during which the available facilities were sadly lacking in capacity and efficiency to properly furnish the transportation demanded.

"This is in part due to the failure of carriers to provide themselves with facilities, in part to inefficient handling and movement of equipment, in part to failure of shippers and receivers to provide room and facilities of their own sufficient for their needs, and in part to customs that have grown up in some lines of business that necessarily cause serious delay to cars and congestion of terminals. Of course, the ideal situation would be one in which the carriers were ready to provide all the equipment needed and promptly transport all the traffic offered at the time of the

maximum demand, but that situation can be attained only by large additions to the facilities and great improvement in methods. The added facilities can be secured only through expenditures from surplus earnings or from expansion of credit. In either way the total cost to purchasers of transportation would be increased. It seems to me that no more helpful work can be done than to bring about the highest possible degree of efficiency in the operation and utilization of the facilities now possessed."

Here in the home of the New Haven and among its friends look the facts squarely in the face and consider in the light of Chairman Clark's remarks what is to your interest as well as to the interest of the railroad.

For the three months ending September 30, 1913, the New Haven steam railroad shows, in net revenue available for payment of floating debt, improvements such as better stations, elimination of grade crossings, signals, steel cars, etc., and for dividends, a decrease compared with the same three months of 1912 of \$2,280,943.18 and taking all the companies in which it has a controlling interest a decrease of \$2,412,019.75. No matter what the causes in the past, the present situation is serious and all who believe that successful transportation is as important as successful agriculture and manufacturing should pull together to make the situation better.

Since the purchase of steamships, trolleys, Boston & Maine and other so-called outside interests there has been elected to the Board of Directors enough new men so that a majority of the Board as now constituted were not members when these acquisitions, which are now so much criticised, were made. Mr. Hustis, the new president of the company, and I came here September 1.

Past and Future With no feeling of criticism of the past or of any men connected with the company then or now, the new directors and officers and the old ones are all working loyally to review the situation and to do what is right to those who own and to those who use the railroad, and to conform to the law when it is clear that the law has been transgressed, and to practice the most rigid economy consistent with safety and fair service to the public.

New Haven and Connecticut can help in this difficult work by saying that time must be allowed to solve this problem. If it is necessary or wise to sell trolleys, steamer lines, railroads and other property, such sales cannot be made in a day or a week or a month or even a year, especially at this time of halting business. There will have to be much patient negotiation, and will it help

Connecticut and New England to force these sales so that there is an unreasonable loss and crippling of the whole transportation machine? This problem needs the thoughtful consideration of the people generally as well as of the members of governmental bodies and of the directors and officers of the railroad, and reasonable time should be given.

The Railroad Burden The government has recently reduced the express rates and that reduction means about \$400,000 a year loss to the New Haven, all of which comes out of the net.

The government has recently established a parcels post system and increased the weight limit to 20 pounds. For all the weight carried by the New Haven since the parcels post was started not one penny has been paid by the government.

Through an arbitration award under the federal Newlands Act the wages of trainmen have been increased 7 per cent, which means more than \$200,000 a year, all out of the net.

The New York Public Service Commission says that the commutation rates to and from New York should be reduced. The New Haven road wants to give its commuters the best service at the lowest rate consistent with efficient operation, but this reduction, a very small sum to each passenger, means \$250,000 a year to the New Haven, all out of the net.

Here are four examples of the expressions of the will of the people, through laws enacted and agencies created by them, which have a most serious effect on the ability of the New Haven Company to obtain funds for the betterment and improvement of the property and payment of interest and reasonable dividends, and the railroad is powerless and must submit.

Revenues are falling and expenses are rising. Some economies can be introduced by spending money for bigger engines that will move more cars, but where is the money for these engines, longer passing tracks, heavier bridges needed, and enlarged terminals to be obtained?

Cheapness of Transportation To illustrate how cheaply the New Haven railroad is now furnishing transportation: For the price of a dozen of the best eggs—eggs now selling at 60 cents, I believe—the railroad moves 2,000 lbs. of freight 44.6 miles; for the cost of a pound of lard, quoted at 18 cents, 13.4 miles; for a pound of butter, selling at 37 cents, 27.5 miles, and for a bushel of potatoes, costing 90 cents,

67 miles. Compare this with the cost of carting 2,000 lbs. through the streets of New Haven. Or, for the cost of a dozen eggs, the railroad will transport a person 34.5 miles; for the cost of a pound of lard, 10.3 miles; for the cost of a bushel of potatoes, 51.9 miles, or a pound of butter, 21.3 miles. (These figures based on average rates for year ending June 30, 1913.) How much does the New Haven hackman charge for two or three miles?

Every man can help a little by not demanding elaborate service and facilities until the money is in sight to provide them; by admitting that some slight increase in rates may be made. It takes a very small increase in the unit price to change the road from a struggling poor one to one that can push forward with plans for development and improvement. For example, New Haven is asking for a new station, something much needed here and that directors and officers are most anxious to furnish if they can find the money. Handsome stations, however, produce little or no new business and the interest, depreciation and operating charges are always much more than for the older stations. It is estimated that about 2,900,000 people pass in and out of the New Haven station in a year. If each of those 2,900,000 persons should pay just 2 cents as a service charge for a better station—the price of a postage stamp—it would represent at 5 per cent. the interest on \$1,160,000, a sum that would help materially to make the much needed improvement.

Nourishment, I have spoken of the transportation machine of
not Sympathy Connecticut—it is a good one with many loyal men and officers. But it needs nourishment. President Worthington of the Chicago & Alton said the other day, "Kind words of sympathy are not out of place at a funeral, but sympathy is a poor substitute for nourishment, and what the railroads need now is nourishment in the shape of increased rates." None of us want to attend any funerals, but the patient is not well and the people are doctors that must help to cure him.

"Yankee Notions" The manufacturing of Connecticut is wonderful. Here is the original home of "Yankee notions." During 1849 an average of 50,731 wage earners, representing 13.7 per cent. of the total population at that day, were employed in manufacturing. This ratio has steadily increased until, in 1909, there was an average of 210,792 wage earners, comprising 18.9 per cent. of the total population, engaged

in manufacturing. If there be included with the wage earners other persons occupying salaried and official positions, there were 233,871 persons, representing 20.9 per cent. of the total population, engaged in manufacturing. By manufacturers in 1909, according to the 13th Census, is meant "manufacturing establishments conducted under what is known as the factory system, excluding neighborhood, household and hand industries." It also excludes establishments which were idle during the entire year or which had a value of product less than \$500.

Agriculture But what has the intelligence, energy and capital of Connecticut accomplished for agriculture? There is no record of the number of people occupied in agriculture, but the Census reports 26,815 farm operators in 1910. These do not include farm laborers or "hired men," or members of farmers' families who assist in the work of the farm. An indication of the agricultural population may be had from the percentage of the whole population living in agricultural communities, that is, in towns of less than 2500 inhabitants each. The number of such people in 1910 was 114,917, equal to 10.3 per cent. of the whole population.

The contrast between the development of manufacturing and of agriculture in Connecticut may be further illustrated by the fact that the value added to the material of manufacture by the industries of the state in 1909 amounted to \$233,013,000, while the value of agricultural products, including some unavoidable duplications in the Census reports in the value of certain farm products, was only \$37,000,000.

Connecticut and Denmark This general description of the relative unimportance of agriculture in Connecticut suggests that the citizens of this state should encourage an increased production of food products within the state. The importance of intensified agriculture in Connecticut in checking the increased cost of living in the towns and cities is something that deserves the most careful study. It may be helpful to compare the results in Connecticut with those in some countries of comparable size and density of population and similar manufacturing development. Such a comparison can be made with Denmark.

	DENMARK	CONNECTICUT
Area sq. miles	14,827	4,820
Population	2,737,000	1,115,000
Per sq. mile	185	231

The last census figures for Denmark shows that there were 317,000 persons engaged in manufacturing, or about 12 per cent. of the population. Of these nearly 7 per cent. were engaged in so called household industries, with which we have nothing to compare, so it will be seen that there is not as large a proportion of the population of Denmark engaged in manufacturing as in Connecticut.

Some indication of the attention, however, which Denmark gives to agriculture as compared with Connecticut, is shown by the fact that 34 per cent. of its population in the last census is classed as "agricultural," as compared to the 10 per cent. here. Again, in Denmark 60 per cent. of the population live in rural communities, as compared with 10 per cent. in Connecticut. The attention that has always been given to agriculture in Denmark enables that nation pretty nearly to feed itself and to export a large amount of dairy products. This is shown by the percentages of the average annual consumption of agricultural products that is supplied by home production:—

Rye	84.8 per cent.
Wheat	46.5 " "
Barley	97.2 " "
Oats	83.4 " "

Of the total value of farm crops raised in Connecticut in 1909 only 9.1 per cent. was contributed by cereals, while 32.1 per cent. was contributed by hay and forage, 19.6 per cent. by tobacco and 17.1 per cent. by potatoes and other vegetables. The remaining 22 per cent. consisting mostly of forest products, fruits and nuts and nursery products. This indicates the general character of Connecticut's agriculture, which is further shown in the fact that 87 out of every 100 Connecticut farmers produced hay and forage, 80 out of every 100 raised potatoes, 77 out of every 100 produced other vegetables, 75 out of every 100 produced orchard fruits, and 61 out of every 100 raised corn.

The area and production of various crops in Denmark and Connecticut may be compared as follows:—

Percentage of Farm Areas

	DENMARK	CONNECTICUT
Cereals and farinaceous	38.7 per cent.	3.4 per cent.
Hay and forage	10.2 " "	18.8 " "
Potatoes	1.9 " "	1.1 " "

COMPARATIVE STATISTICS FOR FARM PRODUCTS IN CONNECTICUT AND DENMARK.

Product.	Per cent. of total farm area.		Product per acre.		Product per capita.	
	Connecticut.	Denmark.	Connecticut.	Denmark.	Connecticut.	Denmark.
Barley.....	*	8.0	17.5 bu.	37.4 bu.	*....	8.2 bu.
Buckwheat.....	0.1	0.2	18.5 bu.	13.4 bu.	....	....
Corn (maize).....	2.4	....	48.0 bu.	....	2.3 bu.	....
Emmer and Spelt.....	....	....	....	....	....	....
Kafir corn and milo maize.....	....	....	26.3	....	....	....
Mixed cereals (i. e. two or more on same land).....	....	....	....	....	....	....
Oats.....	0.5	5.8	26.8 bu.	37.2 bu.	....	5.9 bu.
Rye.....	0.3	13.8	18.1 bu.	42.7 bu.	0.2 bu.	16.1 bu.
Wheat.....	....	9.5	19.3 bu.	23.3 bu.	0.1 bu.	6.0 bu.
....	....	1.4	40.6 bu.	43.4 bu.	....	1.6 bu.
All cereals.....	3.4	38.7	....	35.9 bu.	2.7 bu.	38.0 bu.
Hay and forage.....	18.8	10.2	1.37 tons	3.1 tons	0.5 tons	0.9 tons
Root crops for forage.....	....	8.1	9.2 tons	796.1 bu.	1.6 lbs.	177.4 bu.
Other root crops.....	....	.6	....	482.7 bu.	....	7.6 bu.
Vegetables other than potatoes.....	0.7	8.7	\$121	775.4 bu.	\$1.76	185 bu.
Potatoes.....	1.1	1.9	112.0 bu.	182.8 bu.	2.4 bu.	9.3 bu
Tobacco.....	0.7	....	1,752.3 lbs.	....	25.2 lbs.	....
Orchard fruits.....	....	....	....	....	1.68 bu.	....

* Where no figures are given the production was too small to be accounted for.

Dairy Products

	CONNECTICUT	TOTAL DENMARK	PER CAPITA	
Milk . .	45,749,849 gal.*	908,350,000 gal.	4.1 gal.*	336.2 gal.
Butter..	3,498,551 lbs.*	209,000,000 lbs.	3.1 lbs.*	81.2 lbs.
Cheese.	79,156 lbs.*	33,000,000 lbs.	.07 lbs.*	12.8 lbs.

Why cannot Connecticut do as well?

While the proportion of the total land area of Connecticut devoted to farming declined from 81 per cent. in 1860 to 71 per cent. in 1910, the proportion in Denmark increased from 64 per cent. in 1861 to 76 per cent. in 1907. There are at least two reasons for the success of Danish agriculture. One is the intensity of agricultural effort, and the other is the resort to co-operation among the farmers. The average size of farms in Denmark is only 27.2 acres, which is almost exactly one-third of the average size of Connecticut farms, showing the difference in the intensity of the cultivation. One sees in these figures one reason why Denmark is able to feed herself. In Denmark the farmers have co-operative dairies, co-operative slaughter houses and co-operate societies to export live stock and eggs. Of the total milk production 77 per cent. comes from these co-operative dairies.

Agriculture in Connecticut The agricultural situation in Connecticut needs attention. This great state, undoubtedly rich in agricultural possibilities, whose fields and up-lands present wonderful opportunities for the husbandman, to-day produces but 25 per cent. of what her people consume. Her consumption of food products amounts to over \$80,000,000 a year and she produces less than \$20,000,000.

To the kindness of Mr. Wilson H. Lee of New Haven, who has done so much to promote agriculture in Connecticut, I am indebted for some interesting figures concerning the agricultural situation.

Since 1850, 800,000 acres of tillable land of Connecticut representing in value over \$24,000,000 have gone back to the untillable condition. Between the Census of 1900 and 1910 the decrease in tillable land was 8,000 acres per year, representing each year taxable property of \$250,000. What does this 8,000-acre decrease each year mean in food production? It represents 400,000 bushels of corn, worth not less than \$250,000; or 32,000 tons of alfalfa hay, worth not less than \$640,000; or 240,000 bushels of wheat representing about \$230,000. This same land in corn and alfalfa would feed each year 4,000 cows; it would

* From census reports.

fatten 3,000 head of beef stock; or would keep 20,000 sheep or 15,000 hogs. This is the loss each year. Less than 10 per cent. of the total area is under active cultivation, and only 20 per cent. of the total area is under any tillage whatever.

Every ten years there is enough land in Connecticut going back to the wild condition, to support, if properly farmed, a city the size of New Haven, Hartford or Bridgeport.

Every five years there is enough land in Connecticut going back to support a city like Waterbury, New Britain, New London, Norwich and Danbury.

Since 1850, enough land in Connecticut has gone back to the uncultivated condition to support, if properly cultivated, the present population of the State.

There is sufficient land now under tillage in Connecticut to feed three times its present population, if it were properly cultivated.

All of the farm land of Connecticut properly cultivated would support a population of 5,000,000 people. In view of these facts, is there anything so important to Connecticut manufacturers as the condition of its agricultural lands? Certainly to one connected with transportation this is most important. Agriculture, transportation and manufacturing are so closely related that a decrease in farm production means an increase in the cost of living and this must have a decided bearing upon the wage question and it thus affects the railroad and the manufacturer. The basis of the cost of producing all meats is the price of corn and alfalfa. The Census reports show that Connecticut can raise on an average as many bushels of corn per acre as any state in the Union. The experience of Mr. Lee shows that Connecticut land can produce as many tons of alfalfa hay per acre as any in the United States. Corn and alfalfa will produce pork, beef, milk, poultry and eggs cheaper than any other combination of food stuffs. Under these circumstances, why should not Connecticut raise its own corn, its own alfalfa, its own pork, beef, milk, poultry and eggs? According to government statistics, the net return from growing an acre of corn in Connecticut during the year 1911 was almost exactly the same as in Iowa and in Illinois, the two great corn-growing states of the Union. Yet it costs 170 per cent. more to plant, cultivate and harvest an acre of corn in Connecticut than it does in Iowa and Illinois. This shows what can be done with a proper handling of the soil.

Co-operation and the Farm A movement back to the country has started, but it is a feeble stream that flows toward the farm as yet. The salvation of the farmer should lie in co-operation in the co-operative marketing of his products.

He should cease being jealous and distrustful of his neighbor and work with him in securing the best market. The farmer is not a merchant, but through co-operation he can secure merchandizing talent, which, combined with the advantages that are his through his proximity to the greatest markets in the country, should place him far ahead of his competitor elsewhere.

In Connecticut already there are conspicuous examples of the wealth waiting in the land for him who applies intelligent methods. The remarkable results accomplished by John H. Hale, Connecticut's peach king, are well known. This year Mr. Hale shipped 143 carloads of peaches from his Glastonbury farm. His success should be of compelling interest to all who love the great outdoors and seek material welfare as well as health in the open air.

The transportation system which I represent can aid and will aid in bringing to the farms the prosperity which should be theirs. Lately an effort has been made to provide the farmers with a supply of cheap lime, one of nature's great restoratives, whose use here will help to bring back the fertility of the farms. By the proper liming of the soil it is estimated that the farm production can be increased 100 per cent. By unearthing and making available a supply of lime at West Stockbridge, the Industrial Bureau of the New England Lines has paved the way for such results. Within thirty days, it is expected, shipments of lime will begin, at a cost to the farmer of but \$1.50 per ton, F. O. B. at the ground and \$2.50 to \$2.75 per ton at the farm. The need of careful soil analysis in order to produce efficiency in agriculture is not confined to New England. In the states of Minnesota and North Dakota, the Northern Pacific recently laid out fifty five-acre plots, in order to demonstrate to the farmer how greatly the yield could be increased by proper methods. This increase was as high as 37 per cent. in the case of wheat and 60 per cent. in the case of barley.

Trolley an Aid to Farmers One of the most effective agencies by which prosperity can be brought to the farms is the trolley. There are now in operation in this state 384 miles of trolley express routes, averaging two cars a day and furnishing an express service to the farmer. To-day the farmer living along these lines can connect with the great highways of commerce from his own front door. But the Connecticut farmer is naturally conservative. He is too apt to think of the \$2.00 that he can save by hauling his apples himself, though it means a whole day on the road and just so much productive labor lost to the farm. Potentially, the trolleys

through the farming communities may mean even more than this to the farmer. It is entirely within the realm of possibilities to utilize the same current now moving his goods in furnishing him power for co-operative refrigerating plants. This is only one of the many possibilities in the agricultural development of this state.

In speaking of New England an agricultural writer said recently that "God has made New England the potential orchard of the world." The tales one hears of the apple possibilities of New England indicate that New England's deserved preëminence as an apple growing country will be restored.

It is evident from such orchards as Mr. Hale's that some of Connecticut's poorest land can be made profitable.

Transportation in Denmark Connecticut is a little better off than Denmark, so far as its transportation facilities go. In Denmark there are 14.8 miles of railroad per 100 sq. miles and .79 miles per 1,000 population. Connecticut has 20.7 miles of railroad for every 100 sq. miles and .87 miles per every 1,000 population.

In Denmark the average revenue per passenger mile is 1.10 as against 1.73 in Connecticut, but the service here is of a much better type. Freight rates, however, are lower in Connecticut.

	AVERAGE HAUL MILES	AVERAGE REVENUE PER TON MILE CENTS
Danish state railways	54.5	1.99
Connecticut railways	82.7	1.36

It is of interest to note that the average load per car in Denmark is only 3.79 tons, while the average carload of the New Haven in 1912 was 15.5 tons.

Gross and Net In dealing with railroad regulation and rate limitations much weight is given to the fact that gross earnings of the railroads show increases, leaving one to infer that such increase in gross means financial success. This is not necessarily true. Not only has revenue per unit of service decreased in recent years, but expenses have even increased. To illustrate: The September statement of the Union Pacific showed a decrease in net income of 13.8 per cent., the Southern Pacific a decrease of 16.2 per cent., the St. Paul 19.7 per cent. and the Erie 20.2 per cent., despite the fact that in gross income the Union Pacific showed an increase of 1.1 per cent., the Southern Pacific an increase of .4 per cent., the St. Paul .7 per cent. and

the Erie .5 per cent. So it may be observed that other railroads are suffering as well as the New York, New Haven & Hartford. That thoughtful men should recognize these conditions and display some activity to relieve a situation which is dangerous for general business as well as for the railroads, is evident from these figures.

The railroad is a distributing agent as well as a collecting one. It collects from the people money for transporting them and their goods; it distributes most this money in the form of wages, taxes, and in payments for materials and supplies. But year after year the difference between its collections and distributions has been growing less until the margin between the two is not enough to provide the funds needed to make improvements and to attract new money to the business at reasonable rates of interest. This is due largely to the increased cost of labor and material. Here is one example of a railroad's expenses. In the year just passed nearly \$1,200,000 of the New Haven's revenues went to people living in its own territory for ties and fence posts. In five years the amount would be between \$5,000,000 and \$6,000,000. The money expended for this purpose is not paid to a few large lumber companies. It goes to many people in small amounts, the payments running all the way from \$12 to \$10,000. Here then is one way that a railroad's revenue flows back to the people, and with the necessity of better track and ties to support heavier rails and equipment it represents an increasing item of railroad expenditure.

Government Regulation Railroad regulation may be necessary to prevent unjust discrimination between individuals, localities and commodities, and to prevent unreasonable charges. But it is to be questioned if any sound principle of economics or governmental policy underlies the theory that regulation should go further and deny to a railroad the right to fix for its service charges that are not unduly discriminatory or unreasonably high, as measured by the service performed. Does this not retard railroad development and tend to make it impossible to provide increased facilities necessary for expanding commerce, and does it not point towards government ownership?

Andrew D. White, who, as Minister and Ambassador, successively represented his country at St. Petersburg and Berlin for many years, as far back as 1905, spoke of government ownership in those two countries as follows:

"Persons who clamor for governmental control of American railways should visit Germany, and above all Russia, to see how such control results. In Germany its

defects are evident enough; people are made to travel in carriages which our main lines would not think of using, and with a lack of conveniences which with us would provoke a revolt; but the most amazing thing about this administration in Russia is to see how, after all this vast expenditure, the whole atmosphere of the country seems to paralyze energy. During my stay at St. Petersburg I traveled over the line between that city and Berlin six or eight times, and though there was usually but one express train a day, I never saw more than twenty or thirty through passengers. When one bears in mind the fact that this road is the main artery connecting one hundred and twenty millions of people at one end with over two hundred millions at the other, this seems amazing; but still more so when one considers that in the United States with a population of, say, eighty millions in all, we have five great trunk lines across the continent, each running large express trains several times a day."

Mr. White further says:

"In coming and going on the Moscow railway I found, as in other parts of Europe, that governmental control of railways does not at all mean better accommodations or lower fares than when such works are under individual control. The prices for travel, as well as for sleeping berths, were much higher on these lines, owned by the government, than on any of our main trunk lines in America, which are controlled by private corporations, and the accommodations were never of a high order, and sometimes intolerable."

Public Should Co-operate	Signs are not wanting that there is already an awakening on the part of business interests to the fact that the railroads must be in a position to obtain sufficient new capital to increase facilities if business in general is to move forward in this country. This is not the need of the railroad alone; the public too must have this investment made.
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Increased Rates Abroad	People who are not informed sometimes think that foreign railroads do much better than ours in every way and that we can learn from them. Foreign nations are more reasonable in their treatment of the railroads so far as rates are concerned. An eminent French
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economist, M. Clement Colson, formerly Director of Railways in France, recently pointed out that the selling price of railroad industry had not followed the general rise in price movement, under which, however, the railroad has had to pay increased prices for all the things which it buys, including wages. While the world is witnessing an almost universal increase, ascribed by this authority to the increased gold production, railroad rates have either remained stationary or have been reduced. Recently, however, a number of countries have found it necessary because of this economic condition to raise railroad rates, and this is true even in countries having government ownership. In England increases have just been made equivalent to a general surcharge of 4 per cent. on all traffic. The British government at the same time agreed not to interpose any legal obstacles if the railroads found it necessary to resist demands of their employees for more wages as the result of the increase in rates. In Italy, to offset an increase in wages, an increase in fares has been made amounting to 3 per cent. of the passenger receipts and an increase in freight charges amounting to 1 per cent. of the receipts. In Switzerland rates also have been increased. In Belgium rates on certain coal shipments have been raised, following an increase in wages. Denmark, two years ago put in effect a new tariff, increasing railroad revenues about 9 per cent. Three years ago the railroad revenues of Austria were increased very materially by a new tariff. In short, as the French economist points out, it is now generally agreed that the old idea that railroad rates must always continue to decline is contrary to the fact.

Here in New England co-operation and a sane public opinion is imperative if the transportation problem is to be worked out successfully. It is for such bodies as this to co-operate among themselves and with the railroad, to secure for the railroad such a return as to make possible the facilities needed, and to stimulate rather than impede commercial development. New England's position at present is a critical one. It must get its products to the west and south and until it raises more food must bring it in if it is to prosper and go forward. To do this it must have an adequate transportation system. To stir up animosities, to confuse the public mind and to deal unjustly with the railroad, places unnecessary obstacles in the pathway of New England's progress. Let us be fair and work together, shoulder to shoulder, for a self-sustaining better and more prosperous New England.

There are three things that are absolutely essential if the railroad situation in New England is to be what all desire—

First. There must be confidence, loyalty, and co-operation between officers and men all along the line and a good *esprit de*

corps. This is now here in part and by careful organization and work the officers hope and believe they can increase this spirit.

Second. There must be confidence, frankness and reason between the great shipping and travelling public and the railroad so that differences of opinion may be discussed in a calm, business-like way with a willingness on the part of each to consider the viewpoint of the other.

Third. There must be open-minded, fair and frank relations between all the different public bodies with which the railroad has to deal so constantly—commissions, city councils, legislatures. The railroad is a servant of the people and so are these governmental agencies—both must act with prudence and remember that unfair and dishonest treatment of people, communities or property will in the long run hurt the people as a whole. I believe thoroughly in the future of New England and in the ultimate success of her transportation system. The New Haven is a great property: it is in trouble now, but patience, hard work and fair treatment by all should enable it to give the service the people want and at the same time permit a good return to the owners.

How to The map shows Connecticut as the base of the New
Help England States and the home of the New Haven road.

Let Connecticut set a good example and encourage agriculture as the basis of successful industry of all forms and reasonable living conditions for the wage earners in the cities and towns. And let Connecticut also raise her voice and lead off in the Governors' Conference and other councils of this kind by asking for fair treatment of the road and a display of patience, moderation and common sense so that these improved relations may be brought about, and the transportation machine of New England placed upon an efficient and economical basis for her future needs.



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